

## Message Text

UNCLASSIFIED

PAGE 01 LONDON 04734 261745Z

17

ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05 SP-02 SS-15

STR-04 TRSE-00 FRB-01 FEA-01 PA-02 PRS-01 USIA-15

TAR-01 /109 W

----- 114706

R 261736Z MAR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9678

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS LONDON 04734

E.O. 11652: N/A

TAGS: ENRG, UK

SUBJECT: ENERGY CONSERVATION: HMG APPROVES SUBSTANTIAL  
INCREASES IN ELECTRICITY RATES

1. SECSTATE FOR ENERGY ERIC VARLEY HAS ANNOUNCED GOVERN-  
MENT APPROVAL OF SUBSTANTIAL INCREASES IN RESIDENTIAL,  
INDUSTRIAL AND COMMERCIAL ELECTRICITY TARIFFS. FROM  
APRIL 1 RESIDENTIAL RATES WILL RISE BY AN AVERAGE OF 28.5  
PERCENT AND INDUSTRIAL AND COMMERCIAL TARIFFS BY 7.5 PER-  
CENT. IN ADDITION, RESIDENTIAL USERS WILL PAY AN ADDI-  
TIONAL 5.5 PERCENT BEGINNING IN APRIL AS A RESULT OF AUTO-  
MATIC FUEL COST ADJUSTMENT. SIMILARLY, LARGE INDUSTRIAL  
AND COMMERCIAL CONSUMERS WILL PAY A FURTHER 2 PERCENT  
AUTOMATIC FUEL COST INCREASE. ELECTRICITY COUNCIL IS EX-  
PECTED TO SEEK ANOTHER 4 PERCENT RISE IN RESIDENTIAL RATES  
DURING JULY.

2. ANNOUNCED INCREASES WOULD HAVE BEEN EVEN HIGHER, I.E.,  
30 PERCENT FOR RESIDENTIAL AND 10 PERCENT FOR INDUSTRIAL  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 04734 261745Z

AND COMMERCIAL USERS, BUT FOR VARLEY'S DECISION TO

MODERATE INCREASES SOUGHT BY TWELVE AREA ELECTRICITY BOARDS IN ENGLAND AND IN WALES. VARLEY ALSO HAS DECIDED THAT CONCESSIONS MADE TO OFF-PEAK ELECTRICITY USERS LAST JULY WOULD BE PHASED OUT BY APRIL 1, 1976. OFF-PEAK RATES ROSE THIS PAST YEAR BY ONLY 34 PERCENT RATHER THAN 74 PERCENT AS ORIGINALLY PLANNED WITH SHORTFALL IN REVENUE COMPENSATED BY GOVERNMENT. NONETHELESS, EVEN AFTER PHASE OUT OF SPECIAL CONCESSIONS, OFF-PEAK ELECTRICITY WILL REMAIN CONSIDERABLY CHEAPER.

3. FOR FINANCIAL YEAR ENDING MARCH 31, 1975, ELECTRICITY INDUSTRY IS FORECASTING A 250 MILLION POUND LOSS. INCREASES JUST APPROVED WILL YIELD CLOSE TO 460 MILLION.

RICHARDSON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COSTS, PUBLIC UTILITIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON04734  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750106-0924  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750314/aaaaamiw.tel  
**Line Count:** 76  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 JUL 2003 by leeperne>; APPROVED <06 JAN 2004 by woolflhd>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY CONSERVATION: HMG APPROVES SUBSTANTIAL INCREASES IN ELECTRICITY RATES  
**TAGS:** ENRG, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006